

Council on Technology Services masthead

MINUTES

**Thursday, May 9, 2002
George Mason University, Fairfax Campus
10:30 a.m. – 12:45 p.m.**

ATTENDANCE

Members:

Secretary of Technology George C. Newstrom; Tim Bass (Virginia Retirement System); Farley Beaton (Department of Taxation); Cheryl Clark (Department of Information Technology); Merritt Cogswell (Department of State Internal Auditor); Ray Davis (Department of Game and Inland Fisheries); Jan Fatouros (Department of General Services); Chip German (University of Virginia); Mike Gleason for Don Darr (Department of Planning and Budget); Mike Goetz (City of Lynchburg); Larry Hengehold (Virginia Community College System); Bernie Hill (Virginia Department of Transportation); C. Preston Huff (The Library of Virginia); Joy Hughes (George Mason University); Ken Mittendorff (Supreme Court of Virginia); Lan Neugent (Department of Education); David Nims (Electronic Government Implementation Division); John Noftsinger (James Madison University); Gerry Pacyna (State Corporation Commission); Jim Peters (Virginia Employment Commission); Dee Piscella (Department of Corrections); Chris Saneda (Department of Alcoholic Beverage Control); Bill Shinar (Virginia Geographic Information Network); Jerry Simonoff (Department of Technology Planning); Ernie Steidle (Department of Rehabilitative Services); David Sullivan (City of Virginia Beach); Bill Wilson (Division of Legislative Automated Systems)

Staff:

Jenny Hunter (Executive Director)

Presenters, Guests, and Representatives:

Anne Agee (George Mason University); L. J. Alefontis (webMethods); A. Andrew Anderson (Robbins-Gioia); Randy Anderson (George Mason University); Tania Ayoub (AMS); John Barker (CRT); Walt Boan (Anacomp); Margo Burnette (State of Maryland); Leslie Carter (Department of Information Technology); Conrad Conner (WorldCom); Dwain Cox (ACS);

Hud Croasdale (Virginia Tech); Peter Denning (George Mason University); Deborah Dodson (Department of Motor Vehicles); Kristin Downer (CACI); Cameron L. Dye (Cox Communications Hampton Roads); Jeff Ferdock (CMS); Bruce Gordon (Department of Information Technology); Kim Hall (IBM); Edward Isaacs (Keane); J. Michael Johannes (CorpNet Security); Rob Jones (Trebor Group); Sue Keith (Oracle); Kim Lehman (Keane);

Ben Lewis (Keane); Kenneth P. Lyons (WorldCom); Carol Marion (Department of Social Services); Mike Meikle (Socius); Carroll Mitchell (WorldCom); Robert Nakles (George Mason University); Ron Newcomer (Qwest Communications); Jim Nystrom (WorldCom); Shirley Payne (University of Virginia); Dave Pendergrass (Mitem Corp.); Gay Porter (CACI); Jason Powell (Joint Legislative Audit and Review Commission); Darlene Quackenbush (James Madison University); Doris Rollins (George Mason University); Greg Scott (Fairfax County); Walt Sevon (George Mason University); Matt Shafer (WorldCom); Catherine Stark (EDS); John Taylor (Software AG, Inc.); Barthe Van Doorn (Robbins-Gioia); John Wheatley (Socius); Rod Willett (VIPNet); Jim Wynn (IonIdea)

Members Absent:

Don Darr (Department of Planning and Budget); David Molchany (County of Fairfax);

MEETING OBJECTIVES

The objectives of the Council meeting are: (1) To discuss challenges and opportunities for technology in the Commonwealth; (2) To learn of effective security training and awareness initiatives in the state; (3) To discuss and adopt the COTS Bylaws and proposed Technology Management Workgroup charter; and (4) To determine the impacts and opportunities for technology-related procurement related to HB 519.

WELCOME AND OPENING REMARKS

COTS Executive Director Jenny Hunter called the meeting to order at 10:35 a.m., and thanked everyone for coming. Ms. Hunter welcomed Wanda Davis and Mike Gleason, representing Fairfax County and the Department of Planning and Budget, respectively. Secretary of Technology George C. Newstrom thanked Joy Hughes and George Mason University for hosting the meeting at their Fairfax campus.

Secretary Newstrom indicated that George Mason University was the fifth campus he had visited in Virginia in the last ten days. Secretary Newstrom and Deputy Secretary Eugene Huang spent a week in southwest Virginia, meeting with business and education leaders in the region. There are three constituencies that the Secretary visits when traveling—area colleges and universities, Center for Innovative Technology offices, and the regional technology councils.

Secretary Newstrom welcomed Virginia’s business partners in the room, emphasizing the term “business partner.” He encouraged the business partners to continue to come and participate, and to share their ideas with him for fostering better business relationships.

APPROVAL OF MINUTES

Ms. Hunter introduced the minutes from the March 14 meeting. The minutes were approved unanimously and will be posted to the COTS website at www.cots.state.va.us.

PROCUREMENT UPDATE

Leslie Carter, Deputy Director of the Department of Information Technology, provided an update on House Bill (HB) 519. HB 519 grants permanent procurement authority to the Department of Information Technology (DIT) for technology-related products and services. Ms. Carter said DIT would look carefully at procurement practices, and would continue to use the Department of General Services (DGS) manual until the new manual is ready. Supplemental memos will be provided in the event there are changes to the procurement policy prior to the publication of the manual.

Agencies will receive a letter next week outlining the specifics of where they need to send procurement-related information. In terms of delegations, DIT will continue with the delegations established by DGS until further examination is completed by DIT. Each agency will also be responsible for ensuring all of their technology and communications procurements are handled in accordance with existing policies. Ms. Carter requested input for suggested changes for the manual and whether further legislative changes were needed. She indicated that no major changes to the procurement process were likely to take place on July 1, 2002, but some significant changes were likely in the future.

PRESENTATION: “TECHNOLOGY: CHALLENGES AND OPPORTUNITIES”

Secretary Newstrom presented to the Council the “state of the state” for information technology in the Commonwealth, a presentation and set of recommendations he delivered to the Governor’s Commission on Efficiency and Effectiveness (The Wilder Commission) in April and to the Governor’s Cabinet last week. The presentation is intended to cover what the logical next steps are for enabling change.

Secretary Newstrom noted that Cheryl Clark has been appointed Director of the Department of Information Technology. Jerry Simonoff was reappointed Director of the Department of Technology Planning. Secretary Newstrom thanked Bruce Gordon for his leadership in the interim period.

The estimated spend on information technology is around \$905 million for the Commonwealth. Some studies suggest the numbers could be higher or lower. The Commonwealth does not track consultants who come into agencies or third party labor. There are elements of the spend that are there, but are not reflected in the numbers. The Commonwealth General Fund is approximate \$12 billion, and the total budget is approximately \$25 billion.

According to the statistics available, the top four spenders in the Commonwealth by secretariat are Education, Transportation, Health and Human Resources, and Public Safety, which account for approximately 80% of the total spend. Most secretaries did not realize what the total IT spend was in their areas, and many were surprised by the Technology secretariat spend as the fourth lowest expenditure. Secretary Newstrom stated that his staff is trying to get a better handle on the costs and where the dollars are spent.

Technology projects—not individual products—require a cycle of funding that extends beyond the two year budget biennium. We need to address how we fund major technology projects like STARS over a long period of time to ensure funds can be committed for the lifetime of the project.

The Tax Partnership between the Tax Department and AMS is an excellent example of a public/private partnership. The project ends in 2006 with no funding source for maintenance, and the budget process caused delays in the initiation of the project, so it took more than 10 years for the project to come to fruition.

Secretary Newstrom provided his own assessment of IT Management, eGovernment, Procurement, and Information Security. EGovernment was originally ranked “Leader” until the Secretary learned that communication of Virginia’s eGovernment efforts needs improvement. The Center for Digital Government ranked Virginia in the bottom quartile in its annual Digital State Survey, the measuring stick by which states are perceived for their eGovernment efforts.

Secretary Newstrom noted that the Commonwealth has 5,000 forms in state government, of those 5,000 forms, more than 50% are posted online. Some agencies have done a terrific job of getting them online. Less than 5%, however, are interactive online forms. Thus, data is entered in a computer, printed out and sent to the agency, and re-keyed into the computer.

A large number of studies have been done on IT in the Commonwealth, and they have consistent findings: Virginia does not have economies of scale, does not use best practices, does not leverage its buying power, and generally has poor technology management. In addition, the workforce issues facing IT show that the Commonwealth is not well-prepared to supply the workers needed for highly technical, sophisticated projects of the future. In addition to competing with the private sector, the Commonwealth competes with itself.

Technology is here to support the business of the government, the business of the enterprise. IT should not be viewed as an end unto itself, but as a supporter and enabler of efficient and effective business operations. Technology is a support—Virginia needs to pick out its business priorities and use technology to support those priorities.

The Secretary proposed four areas for consideration by the Governor’s Commission on Efficiency and Effectiveness. The first is streamlining core technology as a centralized statewide resource. “Centralized” does not mean the Secretary becomes the “czar” of technology and takes technology away from the agencies. It also does not mean a cookie-cutter approach to technology. There are significant overlaps that can be addressed.

The second area is procurement. The Commonwealth does not do procurement well. Business partners have complained about unlimited liability clauses in state contracts, and the process is time-consuming. The liability issue fosters business partnerships with firms that do not have significant assets and do not mind signing on the dotted line. The Secretary requested input from business partners on what changes Virginia needs to make to ensure better business partnerships.

The third area is how Virginia accounts for technology expenditures. The fourth area is changing the structure of funding technology. Secretary Newstrom recommends that some of the cost-savings generated by efficiencies should be allowed to go back to the agencies for reinvestment. The current practice is that all of it goes into the General Fund.

Secretary Newstrom is working on a strategic plan for technology in the Commonwealth. He asked COTS to be substantially involved in how the recommendations and priorities are implemented. The strategic plan draft will be completed in mid-summer and formally announced by mid-September.

Secretary Newstrom's slides can be viewed on the COTS website at www.cots.state.va.us.

EXECUTIVE COMMITTEE UPDATE

Cheryl Clark provided an update on the activities of the COTS Executive Committee. The Executive Committee has met once to discuss the four areas of recommendations made by the Secretary, and another meeting is scheduled for May 13 to continue those discussions. Ms. Clark invited any interested Council members or business partners to attend.

Ms. Hunter stated that one item that came out of the productive meeting the Executive Committee had stems directly from the last Council meeting at which the COTS Dashboard was discussed. Several members noted the need for a full range of project management activities, of which the Dashboard was one piece. Ms. Hunter introduced Chris Saneda and asked him to provide an overview of the proposed expanded charter of the COTS Ad Hoc Workgroup for Major IT Projects Status Report Dashboard. Mr. Saneda described the goals and initial plans for the Workgroup.

The COTS Technology Management Workgroup concept and charter was approved unanimously by the Council. Chris Saneda shall continue to serve as chairman. The COTS Ad Hoc Workgroup for Major IT Projects Status Report Dashboard will transition to the COTS Technology Management Workgroup, and shall solicit new membership.

MAJOR PROJECTS STATUS DASHBOARD UPDATE

Chris Saneda provided an update on the activities of the Ad hoc Workgroup on Major IT Projects Status Report Dashboard. The Department of Technology Planning is working with agencies and higher education to develop baseline reports on all major projects. A user manual is being developed, and training will be scheduled for mid-summer for users.

COTS BYLAWS

Ms. Hunter introduced the amended COTS Bylaws. The amendments reflected the suggestions of the Council from its March meeting. The Council unanimously approved the COTS Bylaws.

SECURITY TRAINING AND AWARENESS

Bernie Hill introduced Kim Lehman of Keane, Inc. Security awareness training is mandated for all state employees. The Virginia Department of Transportation and the Department of Corrections have pooled their resources to supply security awareness training for their employees. Ms. Lehman described the web-based tool that cuts down costs associated with travel to a central training facility and provides adequate skills testing and certification. The solution can cost as little as \$2.50 per seat.

Shirley Payne of the University of Virginia presented the various security-related initiatives underway at University of Virginia. The University has developed a comprehensive security awareness program, targeting students, faculty, and administrators. Virginia.edu is an electronic newsletter with distribution to thousands of people worldwide. UVA recently launched a large security initiative that lasted for a month, and included a week-long security fair for students and hospital workers; seminars; conferences with the FBI, state officials, and the Attorney General's Office; and a seminar series with the FBI Academy and police officers from various academies.

UVA has also developed and produced a short video modeled after the popular Monster.com advertisements, which debuted last summer. Ms. Payne showed the humorous video depicting students talking about security breaches. The video was developed by the University's publications office with a budget of less than \$3,000. UVA has also borrowed and adopted ideas from James Madison University.

NEW BUSINESS/PUBLIC DISCUSSION/CLOSING REMARKS

No new business was introduced.

ADJOURN

Ms. Hunter thanked everyone for coming and adjourned the meeting at 12:50 p.m. COTS Members and guests were invited to a luncheon hosted by George Mason University, featuring presentations by faculty on the Advanced Internet Lab and School of Public Policy. Tours of the Advanced Internet Lab and the Enterprise Engineering and Policy Lab were available following the luncheon.

Respectfully Submitted

Jennifer W. Hunter
Executive Director

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